



Governor's Office of
Economic Development
Centers of Excellence

Centers of Excellence Solicitation 2009-2010
Frequently Asked Questions

"The deadline period for matching funds shown in the Solicitation Guidelines (page 10, paragraph 3) was from the previous year and was incorrect. The correct period for valid matching funds is April 1, 2009 to June 30, 2010"

Question 2: (dated 6/8/09)

"We have a convertible note from [a venture fund] and are wondering if we are eligible to apply using the convertible note as matching funds. The note can be converted to equity or be a loan under the terms of our agreement....Please let us know if we are eligible. "

Answer:

First, you must make sure that any funds you intend to submit as matching funds were received by the company during the eligible match period.

Second, you may accept the convertible note as investment and it will not hurt your eligibility, but it may NOT count as matching funds.

Specifically from page 6 of the solicitation, "Matching funds may NOT be a loan, but must be either equity or revenue (that is, there can be no repayment clause)."

The clause relative to institutional investors is also very specific - each institutional fund which accepts funds from a Utah college or university must submit detailed information about their fund to the COE Director for review. A determination will be made for each fund about whether those funds are eligible. This process has not yet commenced, and so the Director cannot comment on ANY institutional investor and whether or not they will be eligible as matching funds at this time.

Question 3: (dated 6/8/09)

I am an entrepreneur who has been developing a technology, working together with a university engineering department by sponsoring some research. We are now launching a business that takes this technology to market.

We have not licensed the technology from the University, we paid the University to help us develop it, and now we are commercializing it. Where we are not licensing the technology, but have done all the patent, etc. ourselves, can we still qualify, or is there another economic development mechanism for this?



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ANSWER:

The statutory framework for the COE program is very specific - these funds are to help technologies which are developed at the college or university (with funds which are received in a variety of ways), and then are LICENSED to a company. If you have a License for a technology from a Utah college or university you are eligible. If you have done sponsored research, but you own the technology, and do not have a license, then you are not eligible. At this time there are no grant mechanisms for privately developed technologies